

**Opening Statement of
Chairman Rob Bishop**
Thursday, February 25, 2016 at 10:00 a.m.
1324 Longworth House Office Building
Before the Committee on Natural Resources
Oversight Hearing on:
***“The U.S. Department of the Treasury’s Analysis of the
Situation in Puerto Rico”***

Let me begin by reiterating this Committee’s purpose and intent concerning Puerto Rico. The bill this Committee produces will be to secure Puerto Rico’s future for its 3.5 million American citizens, respect their authority to self-govern, restore credibility to the Puerto Rican economy, and instill principles of good governance and fiscal transparency to encourage private investment and promote economic sustainability.

Today’s oversight hearing—the third in two months—focuses on the Administration’s perspective on the Puerto Rico situation.

During the first hearing, the Committee addressed the opportunity for private investment to modernize Puerto Rico's outdated energy infrastructure, and touched on the potential for voluntary debt restructuring agreements to be reached between creditors and debtors. At the second hearing, we discussed the merit of establishing an independent oversight body to ensure that Puerto Rico is on the path towards economic stability and revitalization.

In some way, the conclusions reached in the first two hearings touch on or parallel the Administration's proposals for relieving the fiscal crisis in Puerto Rico.

There is common ground. First, there is the shared idea of a need for strong fiscal governance and oversight that provides "sufficient safeguards to ensure Puerto Rico adheres to its recovery plan and fully implements proposed reforms."¹

Such oversight is the starting point for any legislative proposal that will be forthcoming from this Committee. We must provide the Puerto Rican economy and people a means

¹ This quote is taken from the White House's published plan on Puerto Rico, entitled: "Addressing Puerto Rico's Economic and Fiscal Crisis and Creating a Path to Recovery: Roadmap for Congressional Action."

forward – and that may only be accomplished if an independent oversight body has the strength and ability to reinvigorate the island’s economic prospects.

The Administration’s proposal seeks to respect the “autonomy” of Puerto Rico. I hope today’s discussion will provide clarity on the most efficient and effectual path to achieving this shared goal – especially given the track record of the Commonwealth’s government. How deferential any oversight authority must be to the Puerto Rican government and how such deference is reconcilable with necessity for reform, are central to this discussion.

Another pillar supporting the Administration’s platform is a call for Puerto Rico to have access to debt restructuring. Let me be clear on this topic: Puerto Rico already has the tools to restructure through voluntary negotiations a large portion – if not all – of its debt. Indeed, the restructuring of PREPA exemplifies the type of deal that should be encouraged for as much Puerto Rican debt as possible. Therefore, we must do all we can to facilitate the development of consensual agreements

between all creditors and debtors – and to ensure that such negotiations occur in good faith.

Lastly – today’s witness, Mr. Weiss through testimony before a recent Senate hearing identified the need for measures to boost economic growth and ensure a level playing field in federal healthcare benefits. Unfortunately, all of the Administration’s proposals concerning the Earned Income Tax Credit and Medicaid fall far outside the jurisdictional bounds of this Committee. That said, we are interested in the Administration’s position on what can be done to encourage private investment to come into Puerto Rico.

It is clear, both the Administration and this Committee seek a responsible and positive outcome for Puerto Rico and its citizens. I trust that Mr. Weiss will be able to shed more light on areas of potential agreement between the Administration and this Committee, and I look forward to the dialogue toward real solutions